



Update on Standard Convergence (3 July 2017)

The MoF has been working on the revision of China Accounting Standards for Business Enterprises (CASBE) to keep with its convergence policy with IFRS.

As reported in our last update, the MoF issued for public comment an exposure draft on a new revenue standard to align with the IASB's IFRS 15 *Revenue from Contracts with Customers*. In 2016, the MoF issued the following six exposure drafts for public comment, four of which relate to financial instruments to also align with the IASB's IFRS 9 *Financial Instruments*.

- CASBE 16 (Revised) Government Grants
- CASBE 22 (Revised) Financial Instruments: Recognition & Measurements
- CASBE 23 (Revised) Transfer of Financial Assets
- CASBE 24 (Revised) Hedging
- CASBE 37 (Revised) Financial Instruments: Disclosures
- CASBE 42 Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations

Our analysis of the above exposure drafts indicate that the proposed new/revised CASBE would be converged in principle with the corresponding IFRS/HKFRS.

In July 2016, the MoF appointed Raphael Ding, Chief Executive of the Institute as one of its committee members of the China Accounting Standards Advisory Committee to provide comments on the IASB projects, MoF's CASBE projects and the development of CASBE. This helps to strengthen the standard convergence process.

The Institute will continue to work with the MoF on the ongoing convergence between CASBE and HKFRS.